



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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May 9, 2012

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM:

Wendy L. Watanabe
Auditor-Controller

SUBJECT: **DELIANN-LUCILE CORPORATION – A GROUP HOME FOSTER CARE
CONTRACT PROVIDER – FISCAL REVIEW**

At the request of the Department of Children and Family Services (DCFS), we reviewed the fiscal operations of Deliann-Lucile Corporation (Deliann or Agency), from July 1, 2008 to June 30, 2009. Deliann is licensed to operate one group home (GH) with a resident capacity of eight children. Deliann is located in the Second Supervisorial District.

DCFS and the Probation Department contract with Deliann to care for foster children placed in the Agency's home. DCFS paid Deliann \$5,891 per child per month, based on a rate determined by the California Department of Social Services, for a total of \$433,891 in Fiscal Year 2008-09. Deliann also contracts with Imperial and Sacramento counties for their GH Program.

The issuance of our report to your Board was delayed in part by changes in federal and State regulations regarding possible repayment of questioned costs from fiscal audits. To enable Deliann to begin taking corrective action as soon as possible, we discussed our findings and recommendations with Agency management on June 15, 2010.

Summary of Findings

We identified \$4,186 in unallowable expenditures, and \$9,564 in unsupported/inadequately supported expenditures. In addition, DCFS and the Agency need to work together to resolve some potential overpayments.

Deliann also needs to strengthen its controls over loans from officers, accounting records, petty cash, bank reconciliations, payroll/personnel records, fixed assets, vehicle mileage logs, Board meetings, and insurance requirements. Deliann also needs to develop and submit a cost allocation plan, and submit revised Semi-Annual Expenditure Reports for the reporting period. Details of our findings are discussed in Attachment I.

We have recommended that DCFS resolve the questioned costs, and collect any disallowed amounts. DCFS should also ensure that Deliann's management takes action to address the recommendations in this report, and monitor to ensure that the actions result in permanent changes.

Review of Report

We discussed our report with Deliann's management and DCFS on April 25, 2011. The Agency's response, which is incorporated into DCFS' Fiscal Corrective Action Plan (Attachment II), indicates general agreement with our findings and recommendations, and that they will repay the \$13,750 (\$4,186 + \$9,564) in questioned costs.

This audit is not intended to be, and does not constitute, the discovery or identification of an overpayment for purposes of the federal Improper Payments Act, related California State laws, including but not necessarily limited to Welfare and Institutions Code sections 11466.23, 11466.235, 11466.24, etc., nor State regulations intended to implement either the federal Improper Payments Act or related provisions in State law. This audit is intended solely to assist DCFS in managing its contractual relationships. Consequently, this report will be forwarded to DCFS, in order that it might take further action, as it deems appropriate, based on its contents. Such further action may, or may not, include the discovery or identification of an overpayment for purposes of federal or State law.

We thank Deliann's management and staff for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Robert Campbell at (213) 253-0101.

WLW:JLS:RGC:MWM

Attachments

- c: William T Fujioka, Chief Executive Officer
Philip L. Browning, Director, DCFS
Jerry E. Powers, Chief Probation Officer
Reaver E. Bingham, Deputy Chief, Probation Department
Mary Davis, Executive Director, Deliann-Lucile Corporation
Board of Directors, Deliann-Lucile Corporation
Cora Dixon, Bureau Chief, Foster Care Audit Bureau, CA Dept. of Social Services
Commission for Children and Families
Public Information Office
Audit Committee

Deliann-Lucile Corporation
Group Home Contract Provider
Fiscal Review

REVIEW OF EXPENDITURES

We identified \$4,186 in unallowable expenditures, and \$9,564 in unsupported/inadequately supported expenditures. In addition, the Department of Children and Family Services (DCFS) and Deliann-Lucile Corporation (Deliann or Agency) need to work together to resolve some potential overpayments. Details of these expenditures/overpayments are discussed below.

Applicable Regulations and Guidelines

Deliann is required to operate its group home (GH) in accordance with the following federal, State, and County regulations and guidelines:

- GH Contract, including the Auditor-Controller GH Contract Accounting and Administration Handbook (A-C Handbook)
- Federal Office of Management and Budget Circular A-122, Cost Principles for Non-Profit Organizations (Circular A-122)
- California Department of Social Services Manual of Policies and Procedures (CDSS-MPP)
- California Code of Regulations, Title 22 (Title 22)

Unallowable Expenditures

Deliann incurred \$4,186 in unallowable expenditures: \$2,997 in credit card finance charges and late fees; \$1,131 in Internal Revenue Service (IRS) interest and late fees; a \$48 parking violation; and a \$10 late fee on a utility bill. Circular A-122 Sections 16 and 23 state that penalties and interest are unallowable expenditures.

Unsupported/Inadequately Supported Costs

A-C Handbook Section A.3.2 states that all expenditures must be supported by original vouchers, invoices, receipts, or other supporting documents, and that unsupported expenditures will be disallowed upon audit.

We identified \$9,564 in expenditures that were either unsupported or inadequately supported. Specifically:

- \$5,171 in petty cash expenditures, consisting of \$3,354 in receipts that had no detail regarding what was purchased; \$1,639 in expenditures supported by adding machine tapes and manually prepared documents; and \$178 in duplicate

reimbursements, payments with a client's personal funds, and an Agency credit card.

- \$3,683 in credit card expenditures. The Agency provided only credit card statements, and did not provide original receipts.
- \$435 in payments to an independent contractor. The Agency did not provide original contractor invoices detailing the services billed. As a result, we could not confirm that the services were received.
- \$275 in utility charges for water. According to the GH's lease, the lessor pays for water.

As discussed in the "Allocation of Costs" section of this report, Deliann does not have a written cost allocation plan that meets Circular A-122 standards. As a result, it is possible that some of the questioned costs discussed in this section are related to other counties. Once the Agency develops an acceptable cost allocation plan, DCFS should determine the amount of unallowable and unsupported/inadequately supported expenditures that should be recovered.

Recommendations

1. **DCFS management resolve the \$13,750 (\$4,186 + \$9,564) in questioned costs and collect any disallowed amounts.**

Deliann management:

2. **Ensure that foster care funds are used for allowable expenditures for the GH Program.**
3. **Consistently maintain adequate supporting documentation for all Agency expenditures, including original itemized receipts and contracts.**

POTENTIAL DCFS OVERPAYMENTS

DCFS' records show some potential overpayments made to the Agency. DCFS and Deliann should work together to resolve the potential overpayments, and DCFS should collect any verified overpayments. Deliann management should also ensure that any future payment discrepancies are immediately reported to DCFS, and any overpayments are repaid promptly.

Recommendations

4. **DCFS management work with Deliann to resolve the potential overpayments, and collect any verified overpayments.**

5. **Deliann management ensure that future payment discrepancies are immediately reported to DCFS, and any overpayments are repaid promptly.**

ALLOCATION OF COSTS

A-C Handbook Section C.2.0 requires agencies to allocate expenses that benefit multiple programs or funding sources on an equitable basis. During our review period, Deliann received funding from Los Angeles, Imperial, and Sacramento counties for its GH Program. However, the Agency did not have a cost allocation plan to allocate GH Program costs among its funding sources on an equitable basis. Instead, the Agency allocated costs only to the Agency's overall GH Program. Deliann needs to develop a cost allocation plan that meets Circular A-122 standards, and submit it to DCFS as required.

Recommendation

6. **Deliann management develop a written plan to allocate its GH Program costs among its funding sources on an equitable basis, and submit it to DCFS.**

CONTRACT COMPLIANCE AND INTERNAL CONTROLS

We noted several contract compliance and internal control weaknesses. DCFS should ensure that Deliann management takes action to address the recommendations in this report. DCFS should also monitor to ensure the actions result in permanent changes.

Semi-Annual Expenditure Report

GH Contract Section 16.2 requires agencies to submit Semi-Annual Expenditure Reports to DCFS within 60 days after the end of the reporting period. Deliann only submitted one of the two Semi-Annual Expenditure Reports required for our review period. In addition, the Report was inaccurate because of the lack of a cost allocation plan, and the classification issues noted in the Accounting Controls and Due to Officers sections of this report. Deliann should resolve these issues, and submit revised Semi-Annual Expenditure Reports to DCFS.

Recommendation

7. **Deliann management submit revised Semi-Annual Expenditure Reports for the review period once it resolves the cost allocation and classification issues noted in this report.**

Due to Officers

Deliann's accounting records indicated it owed \$14,153 to its officers at the end of Fiscal Year (FY) 2008-09. However, our review indicates that 32 (67%) of the 48 entries in the Due to Officers account were actually payments made by the Agency for officers' personal expenses. This resulted in an overstatement of the balance in the Due to Officers liability account. The Agency adjusted their accounting records after we brought this to their attention. As a result, the final adjusted year-end balance indicated that the officers actually owed the Agency \$220.

In addition, we noted that Deliann's Chief Executive Officer (CEO) paid some of the Agency's ongoing expenses directly from her personal bank account. The Agency's Board of Directors (Board) did not approve these loans in writing, and the loans were not supported by a written agreement establishing the loan amount or the repayment terms. A-C handbook Section A.3.2 requires that all loans be supported by a written agreement and deposited into an Agency bank account. It should be noted that the balance in the Due to Officers account indicates that the CEO's loans were repaid or offset with payments of the officer's personal expenditures.

Recommendation

8. **Deliann management establish written agreements for loans from officers that include loan amounts, repayment terms, and Board approval; and deposit all loan proceeds into an Agency bank account.**

Accounting Controls

A-C Handbook Section A.2.0 requires agencies to keep accounting records that clearly identify funds received and expended for the care of placed children. A-C Handbook Section A.2.5 also requires that transactions of a similar nature be posted consistently to the same account. For example, all expenses for travel should be posted to a "travel" or "travel expense" account, and not commingled with other expenses.

Our review of the Agency's accounting records disclosed the following:

- Deliann received funding from three counties, but did not distinguish revenue from each county in its accounting records. The Agency needs to ensure it records revenue by its source.
- The Agency's employer and employee payroll tax expenses were recorded incorrectly. Both the employer and employee portions of payroll taxes were charged to the employer tax expense account for one pay period, and to the employee payroll tax expense account the following period, instead of being recorded in proper, separate expense accounts.

- GH lease and salary activity, and personal expenditures by the Agency's officers were inappropriately recorded in the Due to Officers account.

Recommendations

Deliann management:

9. **Record revenue by funding source.**
10. **Ensure that transactions are accurately recorded in the Agency's accounting records.**

Petty Cash Controls

A-C Handbook Section B.2.3 states that agencies may keep a petty cash fund for small, incidental expenses. The petty cash fund should not be used as a substitute for normal purchasing and disbursement practices. Agencies should maintain the petty cash fund on an imprest (fixed amount) basis. In addition, A-C Handbook Section B.2.1 states that checks should not be made payable to "cash".

Deliann used its petty cash as a substitute for normal purchasing and disbursement practices. The Agency issued a total of \$40,914 in petty cash disbursements, including \$5,782 in reimbursements to two employees for purchases made with personal debit/credit cards or checks. In addition, the petty cash fund was not maintained on an imprest basis as required by the A-C Handbook, and petty cash replenishment checks were sometimes payable to "cash", instead of the petty cash custodian. We also noted:

- Receipts were recorded incorrectly in the petty cash log, resulting in incorrect log totals.
- While the Agency had receipts to support the petty cash disbursements, the Agency did not always document the nature or purpose of the expense. For example, petty cash was used for airfare to San Francisco, and hotel costs in Burlingame, CA. Agency management indicated that the expenses were for a GH-related conference, but did not have conference documents to support this expenditure. The Agency needs to document the nature and purpose of petty cash transactions, and retain records showing how the expenditures are related to the GH Program.
- Reimbursements were made based on copies of receipts that had been reprinted by the stores. While we did not find these reprinted receipts were reimbursed more than once, the Agency should keep the original receipts.

Recommendations

Deliann management:

11. Ensure petty cash is only used for small, incidental expenses.
12. Maintain the petty cash fund on an imprest basis.
13. Ensure checks are not made payable to "cash".
14. Ensure the petty cash receipts are correctly entered and totaled in the petty cash log.
15. Document the nature and purpose of petty cash transactions, and retain records that establish the relationship to the GH Program.

Bank Reconciliations

A-C Handbook Section B.1.4 requires bank reconciliations to be signed and dated by the preparer and reviewer, and reconciling items to be resolved timely.

The Agency's bank reconciliations were not signed or dated by the preparer or reviewer. In addition, the Agency's September 30, 2008 Alliance Bank account bank reconciliation had 15 outstanding checks, totaling \$3,055, that were at least 90 days old, with three dating back to 2006. The Agency needs to ensure outstanding checks and reconciling items are resolved timely.

Recommendation

16. Deliann management ensure bank reconciliations are signed and dated by the preparer and reviewer, and outstanding checks and reconciling items are resolved timely.

Payroll and Personnel Controls

CDSS-MPP Section 11-402 requires that supporting documentation be maintained for all Program expenditures, including salaries. In addition, A-C Handbook Section B.3.1 states that time cards or time reports must be prepared for each pay period.

We reviewed the time records for ten employees and noted the following:

- The Agency incorrectly classified the job title of one employee. The employee was classified as the Chief Financial Officer. However, the employee's functional responsibilities were those of support staff.
- Nine (90%) of the ten employee personnel files did not contain the employee's authorized salary. For one (10%) of the ten, the rate in the file and the rate the employee was paid did not agree. However, the amount paid was reasonable.

- The Agency paid an employee \$75 for training, but did not have a time sheet or other record to confirm the employee attended the training.
- The Agency withheld \$20 for CPR training, and provided us a copy of the CPR certificate. However, we could not establish that the Agency paid for the training on the employee's behalf.
- The Agency incorrectly calculated employees' time, and overpaid two employees a total of \$124.

Recommendations**Deliann management:**

17. **Ensure employee job classifications are consistent with the functional responsibilities of the position.**
18. **Maintain current authorized salary rates in the employees' personnel files.**
19. **Retain documentation for all salary payments and deductions.**
20. **Ensure time records are reviewed for accuracy prior to processing payment.**

Fixed Asset Listing

A-C Handbook Section B.4.2 requires agencies to keep a current list of fixed assets, including the item description, serial number, date of purchase, acquisition cost, and source(s) of funding. Agencies should also tag all fixed assets purchased with contract funds, and inventory all fixed assets at least once each year to ensure they are accounted for, and are maintained in proper working order.

The Agency's fixed assets list does not include serial numbers or source(s) of funding. In addition, the Agency does not tag all fixed assets, and does not inventory its assets at least once each year.

Recommendation

21. **Deliann management ensure that the fixed asset list includes the serial number and source(s) of funding, tag all assets, and conduct an inventory of fixed assets at least once each year.**

Vehicle Mileage Logs

A-C Handbook Section A.3.2 requires agencies to keep vehicle mileage logs documenting the date, headquarters and destination, purpose of trip, beginning and ending odometer readings, and the resulting mileage. In addition, vehicle mileage logs must clearly identify business versus non-business or personal travel. While the Agency keeps a vehicle log, the log does not indicate where the vehicle is headquartered, or the resulting mileage of trips. In addition, it does not clearly identify business versus non-business or personal travel.

Recommendation

22. **Deliann management ensure its mileage logs include the headquarters, resulting mileage, and clearly identify business versus non-business, or personal travel.**

Board Meeting Minutes

California Health and Safety Code Section 1520.1(e) requires Board of Directors' meetings be held at least every three months, and California Corporations Code Section 6320 requires non-profit corporations to keep written records of the meetings.

The Agency only gave us minutes for one Board meeting during the review period. The Agency needs to ensure its Board meets at least every three months, and it keeps written records of the meetings.

Recommendation

23. **Deliann management ensure the Board meets at least every three months, and it keeps written records of the meetings.**

Insurance Requirements

GH Contract Section 5.1.3 requires agency insurance policies to expressly indicate that the County must be given written notice by mail at least 30 days before cancellation for all policies evidenced on the certificate of insurance. The Agency's insurance certificate only provides ten-days prior written notice.

Recommendation

24. **Deliann management ensure the Agency's insurance policy includes giving the County 30-day advance notice of policy cancellation.**



**County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

425 Shatto Place, Los Angeles, California 90020
(213) 351-5602

PHILIP L. BROWNING
Interim Director

September 27, 2011

Mary Davis, Executive Director
Deliann-Lucile Corporation
7009 Wright Crest DR.
Culver City, CA 90232

Board of Supervisors
GLORIA MOLINA
First District
MARK RIDLEY-THOMAS
Second District
ZEV YAROSLAVSKY
Third District
DON KNABE
Fourth District
MICHAEL D. ANTONOVICH
Fifth District

Dear Ms. Davis:

**AUDITOR-CONTROLLER'S FISCAL REVIEW OF DELIANN-LUCILE CORPORATION –
A GROUP HOME FOSTER CARE CONTRACT PROVIDER**

We have reviewed your fiscal corrective action plan (FCAP) received on September 26, 2011 in response to the Auditor-Controller's final draft fiscal audit.

With regard to the \$13,750 in questioned costs, Deliann-Lucile Corporation and DCFS agreed that the total of \$13,750 was disallowed and must be repaid to the Department.

Please contact the Los Angeles County Treasurer and Tax Collector (TTC), by October 3, 2011 to schedule a date and time to sign a repayment agreement for the amount of \$13,750. The terms of the repayment agreement would be determined and negotiated with TTC. Please contact:

Fernando Rubio Jr., Operations Chief
Los Angeles County Treasurer and Tax Collector Revenue and Enforcement
225 N. Hill Street Room 122
Los Angeles, CA 90012
(213) 893-7968
frubio@ttc.lacounty.gov

Sincerely,

A handwritten signature in cursive script that reads "Latisha Thompson".

Latisha Thompson, ASM III
Fiscal Monitoring and Special Payments

Attachments

c: Mike McWatters, Chief Accountant-Auditor (via electronic mail only)
Sandra Gomez, Principal Accountant-Auditor (via electronic mail only)

"To Enrich Lives Through Effective and Caring Service"

ATTACHMENT III

FISCAL REVIEW THE DELIANN-LUCILE CORPORATION – A GROUP HOME FOSTER CARE CONTRACT PROVIDER

Note: Department of Children and Family Services (DCFS) will only review documentation not previously provided to the Auditor-Controller.

Summary of Recommendations

Based on the FCAP dated September 26, 2011 submitted by Deliann-Lucile Corporation, status of each recommendation is summarized as follows:

- 24 Recommendations (1-24) were fully addressed.
- ___ Recommendations (_____) were partially addressed.
- 2 Recommendations (1 & 4) directed to the Department were addressed.

Recommendation Status

1. **DCFS management resolve the \$13,750 (\$4,186 + \$9,564) in questioned costs and collect any disallowed amounts.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will work with DCFS to resolve the financial issues reported in this report. We request that a payment plan be established.

DCFS Response: Please contact the Los Angeles County Treasurer and Tax Collector (TTC), as soon as possible to schedule a date and time to sign a repayment agreement for the amount of \$13,750. The terms of the repayment agreement would be determined and negotiated with the TTC. Please contact:

Fernando Rubio Jr., Operations Chief
Los Angeles County Treasurer and Tax Collector Revenue and Enforcement
225 N. Hill Street Room 122
Los Angeles, CA 90012
(213) 893-7968
frubio@ttc.lacounty.gov

2. **Deliann management ensure that foster care funds are used for allowable expenditures to carry out the purpose and activities of the GH program.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will ensure that all foster care funds are used for allowable expenditures to carry out the purpose and activities of the DeliLu Achievement Home program.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

3. **Deliann management consistently maintain adequate supporting documentation for all Agency expenditures, including original itemized receipts and contracts.**

Agency Proposed FCAP: The Deliann-Lucile Corporation has devised a new system or reporting whereby all original receipts are maintained and itemized.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

4. **DCFS management work with Deliann to resolve the potential overpayments and collect any verified overpayments.**

Agency Proposed FCAP: The Deliann-Lucile Corporation has been working with DCFS to resolve the overpayment issues. It is our understanding that most all repayments have been made to DCFS Overpayments Section.

DCFS Response: DCFS accepts the agency's response.

5. **Deliann management ensure that any future payment discrepancies are immediately reported to DCFS and any excess amounts are repaid promptly.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will immediately report to DCFS any excess amounts and repay them promptly.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

6. **Deliann management develop a written plan to allocate its GH program costs among its funding sources on an equitable basis and submit it to DCFS.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will develop a plan to allocate its GH program cost on a percentage basis among its funding source and submit to DCFS.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

7. **Deliann management submit revised Semi-Annual Expenditure Reports for the review period once it resolves the cost allocation and classification issues noted in this report.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will *submit a revised Semi-Annual Expenditure Reports for the review period once the cost allocations and classifications are resolved.*

DCFS Response: DCFS accepts the agency's response.

8. **Deliann management establish written agreements for loans from Officers that include loan amounts, repayment terms and Board approval, and deposit all loan proceeds into an Agency bank account.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will provide a written agreement for all future loans from officers which includes the amount of the loan, repayment terms and Board Approval, and will deposit all loan proceeds in the Deliann-Lucile Corporation bank account.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

9. **Deliann management record revenue by funding source.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will document revenue from the various funding sources.

DCFS Response DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

10. **Deliann management ensure that transactions are accurately recorded in the Agency's accounting records.**

Agency Proposed FCAP: The Deliann-Lucile Corporation has developed a new accounting system and will ensure that transactions are accurately recorded.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

11. **Deliann management ensure petty cash is only used for small incidental expenses.**

Agency Proposed FCAP: The Deliann-Lucile Corporation management has established a new system whereby the petty cash funds are to be used to purchase small incidentals.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

12. **Deliann management maintain the petty cash fund on an imprest basis.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will maintain the petty cash in an imprest fund with an ongoing amount of \$150.00 dollars

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

13. **Deliann management ensure checks are not made payable to "cash".**

Agency Proposed FCAP: The Deliann-Lucile Corporation will cease to make checks payable to "Cash."

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

14. **Deliann management ensure the petty cash receipts are correctly entered and totaled in the petty cash log.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will develop a new petty cash log and ensure that petty cash receipts are correctly entered and totaled within.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

15. **Deliann management document the nature and purpose of petty cash transactions and retain records that establish the relationship to the GH program.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will state the purpose of the petty cash transactions, establish a relationship with the program activities and record information on the appropriate log.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

16. **Deliann management ensure bank reconciliations are signed and dated by preparer and reviewer, and outstanding checks and reconciling items are resolved timely.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will ensure bank reconciliations are signed and dated by the reviewer, and reconcile outstanding checks in a timely manner.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

17. **Deliann management ensure employee job classifications are consistent with the functional responsibilities of the position.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will ensure that employee job classifications are consistent with the functional responsibility of the position.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

18. **Deliann management maintain current authorized salary rates in the employees' personnel files.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will maintain current authorized record of salary rates in the employees' personnel files.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

19. **Deliann management retain documentation for all salary payments and deductions.**

Agency Proposed FCAP: The Deliann-Lucile Corporation uses ADP Payroll Reporting System which provides all salary payments and deductions. We will retain all payroll documents.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

20. **Deliann management ensure time records are reviewed for accuracy prior to processing payment.**

Agency Proposed FCAP: The Deliann-Lucile Corporation ensures that time records are reviewed for accuracy prior to processing payments with ADP. However, in the event that an error is made Deliann-Lucile will document and make immediate corrections.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

21. **Deliann management ensure that the fixed asset listing includes the serial number and source(s) of funding, tag all assets, and conduct an inventory of fixed assets at least once each year.**

Agency Proposed FCAP: A The Deliann-Lucile Corporation will complete an annual inventory of fixed assets listing the serial number and source(s) of funding, and tag all assets.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

22. **Deliann management ensure its mileage logs include the headquarters, resulting mileage, and clearly identify business versus non-business or personal travel.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will revise the mileage logs to include the following: headquarters, resulting mileage, business versus non-business activities.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

- 23. Deliann management ensure the Board meets at least every three months, and that written records of the meetings are kept.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will ensure that Boards meets every three months and keep a written record of the meeting.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.

- 24. Deliann management ensure the Agency's insurance policy includes giving the County 30 day advance notice of policy cancelation.**

Agency Proposed FCAP: The Deliann-Lucile Corporation will ensure that the Agency's insurance policy includes a 30 day cancelation notice to DCFS.

DCFS Response: DCFS accepts the agency's response. Please submit Board-approved policies/procedures that ensure compliance with the recommendation.